

NATIONAL WEATHER SERVICE INSTRUCTION 1-709

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Administration and Management

Government Purchase Card

GOVERNMENT PURCHASE CARD

NOTICE: This publication is available at: <http://www.nws.noaa.gov/directives/>.

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SUMMARY:

This guidance is in addition to the guidance set forth by Department of Commerce in the Commerce Acquisition Manual on Purchase Card Procedures which can be found at the following link:

http://www.ago.noaa.gov/acquisition/docs/commerce_acquisition_manual_1313-301.pdf

Signed

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June 25, 2015

Date

NWS Purchase Card Procedure

Table of Contents	Page
1 Purpose.....	3
2 Scope.....	3
3 Procedures and Responsibilities.....	3
3.1 Purchase Card Holder.....	3
3.2 Approving Official.....	4
3.3 NWS Convenience Check Writers.....	4
3.4 Training.....	4
3.5 Application.....	5
3.6 Cardholder and AO Performance Plan.....	5
3.7 Purchasing.....	6
3.8 Consequences for Purchase Card Misuse and Abuse.....	6
3.9 Prior Approvals Required.....	7
3.10 Recordkeeping and Documentation.....	7
3.10.1 Auditing of Purchase Card Account.....	7
3.10.2 Reconciliation.....	8
3.10.3 Program Oversight and Surveillance.....	8
3.10.4 Purchase Card Restriction.....	8
3.10.5 GSA Government-Wide Restrictions.....	9
3.10.6 Departmental Restrictions.....	9
3.10.7 Federal Appropriations Law Restrictions.....	9
3.10.8 Approvals Required Prior to Purchase.....	9
3.10.9 Required Sources of Supplies and Services.....	10
3.10.10 Personal Liabilities.....	11
3.10.11 Additional Information.....	11

1 Purpose

1.1 This procedure provides guidance to cardholders and approving officials (AO) in the NWS management of the Department of Commerce (DOC) Purchase Card Program. Management of the purchase card program includes responsibilities of a purchase cardholder and/or an AO, cancellation of a purchase card or an AO account, transfer of purchase cardholders between AOs, and purchase card utilization and reconciliation.

1.2 Refer to the Commerce Acquisition Manual (CAM) 1313.301, revised May 2012, if unclear or in doubt of regulations or processes. ¹

2 Scope

2.1 This procedure applies to all NWS personnel holding a DOC purchase card or filling the role of AO.

3 Procedures and Responsibilities

NWS Purchase cardholders and AOs shall accept the following responsibilities set by the CAM:

3.1 **Purchase Cardholder:** Per CAM, 1313.301, responsibilities are as follows:

- Making authorized purchases for official Government business only;
- Obtaining valid purchase requests with certified funds and all required justifications and approvals;
- Complying with spending limitations;
- Consolidating purchases to take advantage of possible volume pricing discounts when purchasing (example: supplies from the same vendor);
- Maintaining a monthly purchase card ordering log for all transactions
- Complying with internal control procedures;
- Reconciling accounts and disputing unresolved or invalid transactions;
- Safeguarding the purchase card and account information;
- Reporting unauthorized use, lost, stolen, or compromised cards,
- Complying with accountable property procedures

¹ The CAM 1313.301 revised May 2012 is <http://www.ago.noaa.gov/acquisition/bankcard.html>

3.2 **Approving Official:** Per CAM, 1313-301, responsibilities are as follows:

- Ensuring that purchases made by cardholders under their purview were appropriate;
- Ensuring charges were accurate and purchases were for official Government business;
- Reconciling and certifying monthly statements in the absence of the cardholder;
- Ensuring cardholders are current with all program training requirements;
- Maintaining copies of cardholder training certificates;
- Reviewing and approving cardholder purchase card transactions;
- Ensuring funds are available;
- Resolving questionable transactions with the cardholder;
- Ensuring cardholders reconcile transactions and statements within the reconciliation timeframe;
- Reviewing transactions for appropriate documentation; requesting changes to cardholder accounts;
- Reporting suspected waste, fraud or abuse of purchase cards to the APC, and Office of Inspector General;
- Reporting lost, stolen or compromised cards;
- Reporting changes in cardholder status and administrative changes to cardholder accounts;
- Maintaining reconciliation files.

3.3 **NWS Convenience Check Writers:**

Convenience check writers have the same responsibilities as cardholders in addition to the following responsibilities:

- Recording purchase transactions in the servicing bank's electronic tool;
- Reviewing transactions against the bank statement and identifying any errors in the dollar amounts;
- Reviewing scanned image of canceled checks in servicing bank's electronic tool;
- Tracking outstanding checks that may appear as transactions
- Maintaining convenience check transaction files in accordance with records retention requirements

3.4 **Training**

Cardholders and AOs shall document satisfactory completion of required training prior to nomination and appointment to obtain a purchase card. All required training is computer based and the links can be found in CAM 1313.301, Page 4

The following courses are required for cardholders and AOs requiring a single purchase limit up to the micro-purchase threshold. Thresholds are discussed in the CAM 1303.301, Page 4

- GSA SmartPay® Online ²
- Section 508 Compliance Online ³
- CLM 003 Ethics Training for Acquisition or equivalent Government Ethics ⁴
- Servicing Bank's Electronic Access Systems ⁵
- Federal Strategic Sourcing Office Supply Blanket Purchase Agreement⁶
- Federal Acquisition Institute (FAI): FAC 018, Green Purchasing for Civilian Agencies
- Servicing Bank's Electronic Access Systems ⁶ *(Completed within one month after card account has been established)*
- DOC Customized Purchase Card Training
(Completed within six months after card account has been established)

Refresher training is required on a yearly basis and must be completed no later than July 30 of each fiscal year. Cardholders and AOs must complete, at a minimum, 6 hours of continuous learning points (CLPs) annual purchase card refresher training. A description of acceptable training classes can be found in the CAM 13.301, Section 2.1.3. Failure to complete required refresher training will lead to suspension of cardholder and AO purchase card accounts until training is successfully completed. NWS cardholders and AOs shall inform Office Purchase Card Coordinator when training is complete each year.

3.5 Application

NWS managers shall determine if an employee's responsibilities require the use of a purchase card. The manager will also determine who shall be identified as the AO for that employee.

The following documents must be completed in order for an employee to apply for a purchase card:

- Nomination letter signed by manager/supervisor – see CAM 1313.301, Appendix B, Page B-1
- Cardholder "Set up" form for the contracted servicing bank
- AO hierarchy, number if already established
- AO "set up" form if AO is newly appointed
- GSA SmartPay® Purchase Card Training certificate (required for cardholder or AO)
- Section 508 Compliance certificate
- CLM 003 Ethics Training Certificate

3.6 Cardholder and AO Performance Plan

² <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>

³ <http://www.section508.gov/index.cfm?FuseAction=RegisterUniverse>

⁴ <https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>

⁵ http://oamweb.osec.doc.gov/CAPPS_purchaseCard.html

⁶ <http://interact.gsa.gov/gsa-training/webinars>

Performance plans for cardholders and AOs shall contain critical language within their performance plan to correspond with this responsibility.

3.7 Purchasing

- Cardholders shall read, become familiar with and comply with NOAA regulations for making purchases. NOAA policy.⁷ Additional policy is also in the CAM 1313.301, Section 3 - Purchase Card Use, Page 12.
- CAM131.301, Section 5.3.2, Page 25, discusses Merchant Category Code Surveillance. Government purchase cards are monitored, on a real-time basis, for questionable or unauthorized merchant category codes for potential fraud, waste, abuse and misuse, split disbursements, and purchase card policy compliance.
- Using the Government purchase card at any of the establishments listed on CAM131.301, Section 5.3.2, Page 25 mentioned above, will result in the cardholder's account being flagged and reported to DOC Office of the Inspector General.
- CAM 1313.301, Section 5, Page 26, Fraud, Waste and Abuse list what to do to report a violation and lists Consequences for Purchase Card Misuse and Abuse. The table below shows potential consequences for such violations.

3.8 Consequences for Purchase Card Misuse and Abuse

Infraction	Potential Consequences for Infraction
Fraud, Waste, and Abuse Intentional use of the purchase card for unauthorized purchases or the approval of unauthorized transactions	<ul style="list-style-type: none"> • Card cancellation • Termination of employment • Fines and/or imprisonment • Salary offset to collect full cost of unauthorized purchases including administrative expenses
False Statements False statements on purchase card records by cardholders and AO's	<ul style="list-style-type: none"> • Card cancellation • Reprimand
Personal Misuse Unintentional use of the purchase card for unauthorized purchases	<ul style="list-style-type: none"> • Counseling • Cardholder payment to DOC required to cover full cost of unauthorized purchases and possible administrative expenses
Card Transfers Transfer of purchase card to any person other than the cardholder	<ul style="list-style-type: none"> • Counseling • Card Suspension • Card cancellation

⁷ http://www.ago.noaa.gov/acquisition/regulation_and_guidance.html

Failure to Maintain Card Security Failure to safeguard physical location of the card and card account information	<ul style="list-style-type: none"> • Counseling • Card Suspension • Card cancellation
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3.9 **Prior Approvals Required**

All purchases shall have prior approval by the cardholder's manager or AO. Documentation shall be maintained in the cardholders file as proof of prior approval. Documentation can be hand written, an email, a memo, etc.

CAM 1313.301, Section 3.84, Page 12, lists some specific purchases that must have pre-approvals from other areas of NWS.

3.10 **Recordkeeping and Documentation**

Purchase Card Transaction Documentation

Every Purchase Card Transaction requires documentation. This documentation must be maintained either in an individual transaction file or in a consolidated monthly file with individual transaction data consolidated and clearly identified for each individual transaction processed during the month. All NWS purchase card transactions must be documented and approved on the Purchase Card Transaction Checklist (<http://www.corporateservices.noaa.gov/~noaaforms/eforms/nf36-31.pdf>). Retain Delegation of Authority letters and training certificates in each fiscal year file for auditing purposes.

For every purchase, NWS cardholders shall maintain documentation as follows:

- Purchase Card Transaction Authorization Checklist (<http://www.corporateservices.noaa.gov/~noaaforms/eforms/nf36-31.pdf>)
- Itemized Receipts
- Shipping Receipts
- Memorandum to the file to explain any unique circumstances for the transaction, as needed

3.10.1 **Auditing of Purchase Card Account**

If, at any time a purchase cardholder receives a notice of audit from NOAA Finance Audit Team, that cardholder is responsible for timely and accurate response. Cardholder will supply all information requested by the Audit Team quickly and accurately. AO will follow up with cardholder ensuring documentation was submitted in a timely manner.

3.10.2 **Reconciliation**

There are a number of steps to take when reconciling a monthly Purchase card account.

- The cardholder pulls all receipts, justifications and invoices from their monthly file to match each transaction
- The cardholder ensures the correct accounting code will be used by communicating with the appropriate budget staff
- The cardholder communicates with the appropriate personal property official in the event that equipment, software, etc., is purchased to ensure 1) correct object class is used, 2) asset is bar coded, 3) property official is given all necessary paperwork
- The cardholder logs in to Commerce Purchase Card System (CPCS) and reconciles the monthly statement against receipts
- The cardholder ensures all purchases are entered into the Log in CPCS and those entries match reconciliations
- Reconciliation is completed on time and AO is informed of the need to certify transactions

On the 5th day of every month, the cardholder or group administrator will log in to CPCS in order to determine which transactions are in need of reconciliation. In the event transactions are not reconciled on time, the CPCS system will “sweep” transactions to be charged to the default accounting code listed under the cardholder’s account in CPCS.

All transactions must be reconciled by the cardholder and certified by the AO in coordination with the dates listed. Transactions swept and charged to default accounting will not show an accurate picture of the budget that matches the accounting code. This can result in overspending/variances, etc.

Refer to Center specific regulations for more complete Reconciliation regulations. DOC reconciliation regulations may also be found in the CAM 1313.301, Section 3.13, Reconciliation of Account, Page 18.

3.10.3 **Program Oversight and Surveillance**

CAM 1313.301, Section 5, Page 22, lists different types of management controls to help minimize purchase card misuse. NOAA Agency Program Coordinators (APC) will make use of the management controls periodically to reduce card misuse and abuse. Review Section 5 in the CAM for more complete details of this procedure.

NOAA will conduct quarterly and annual reviews of cardholder and approving officials ensuring they are adhering to applicable requirements.

3.10.4 **Purchase Card Restrictions**

Purchase orders, bankcard purchases, and bankcard checks are subject to audit by the DOC Acquisitions and Grants Office (AGO) for compliance with delegated procurement authority and federal, DOC, and the National Oceanic and Atmospheric Administration (NOAA) procurement regulations. If regulations are not followed, procurement authority can be withdrawn and penalties imposed upon the procurement official.

3.10.5 **GSA Government-wide Restrictions**

In accordance with the GSA SmartPay® Program 8, the purchase card shall not be Travel or travel-related expenses; (excluding conference rooms, meeting spaces, and local transportation services such as Metro Fare cards, subway tokens, and cash advances.

3.10.6 **Departmental Restrictions**

DOC regulations prohibit the purchase of supplies or services that should be placed on a travel card or fleet card, including the purchase of gas or oil for Department-owned vehicles and repair of Department or leased vehicles with the purchase card.

3.10.7 **Federal Appropriations Law Restrictions**

In accordance with the principles of Federal Appropriations Law⁹, the following items are generally prohibited from purchase with appropriated funds. As there may be authorized exceptions for certain items, cardholders shall obtain approval from the Head of Contracting Office (HCO), after legal review, and document the exception prior to purchase of any of the following items.

- Entertainment: Includes, but is not limited to, food and drink, receptions, banquets, music and artistic performances.
- Water: The General Accounting Office (GAO) has held that in a variety of cases under the “necessary expense rule” appropriated funds should not be used to pay for subsistence or to provide “free food” to government employees while at their duty stations. As such bottled water is considered personal expense.
- Fines and Penalties: Fines and penalties include, but are not limited to parking tickets and personal fines.
- Gifts and Awards
- Personal Expenses and Furnishings. Personal expenses and furnishings include, but are not limited to: convenience items, decorative items, wearing apparel, commuting expenses, personal membership fees, and personal qualification expenses.

3.10.8 **Approvals Required Prior to Purchase**

⁸ <https://smartpay.gsa.gov/>

⁹ <http://www.gao.gov/legal/redbook/redbook.html>

The items outlined in the table below require pre-approvals prior to purchase. The cardholder shall ensure that required approvals are received and copies of required documentation maintained in the purchase card file.

Items Requiring Pre-approvals

Purchase Requirement	Approval Required from	Reference
Paid Advertisements in newspapers (other than for recruitment of personnel)	Head of Contracting Office	DAO 208-2 http://www.osec.doc.gov/pog/dmp/daos/dao208_2.html
Printing and Duplicating (<u>exceeding the capacity of an office printer or copy machine</u>) (includes printing, binding, blank work, composition, plate making, presswork, binding and micrographics as well as related supplies that are used and equipment that is usable in printing and binding operations)	Operating Unit (OU) Printing Coordinator (for Census, NIST, NOAA, PTO and NTIS). All others, contact DOC Office of Administrative Operations Exception: Operating Units outside of the Washington, D.C. metropolitan area, not serviced by an OU Printing Facility, may utilize their Regional Government Printing Office (GPO) without consulting with their operating unit Printing Coordinator. These OUs must utilize their Regional GPO or request a waiver from their regional GPO office, prior to utilizing an open-market source	FAR 8.802(b) https://acquisition.gov/far/current/html/Subpart%208.8.html All Government printing must be procured through established Government channels. Refer to Printing Coordinator for specific information.
The Government Printing Office (GPO) has awarded a contract (950-S) to FedEx Kinko's SM Office and Print Services that allows all U.S. Federal agencies direct access to services at FedEx Kinko's SM locations nationwide	Operating Unit Printing Coordinator (for Census, NIST, NOAA, PTO and NTIS) All others, contact DOC Office of Administrative Operations	GPO Circular Letter 625, dated September 22, 2006. http://www.gpo.gov/customers/letters/625.htm This circular letter allows GPO to bill government credit cards for use in conjunction with the GPO Express SM Program.
Publication of	Operating Unit Printing Coordinator (for	Per the Office of

Purchase Requirement	Approval Required from	Reference
scientific/research articles in professional journals	Census, NIST, NOAA, PTO and NTIS). All others, contact DOC Office of Administrative Operations	Administrative Operations
Kitchen Appliances (e.g. coffee pot, refrigerator, microwaves etc.)	Operating Unit building management official. Ship CO.	GAO Decision B-302993, Use of Appropriated Funds to Purchase Kitchen appliances, June 24, 2004. http://www.gao.gov/decisions/appro/302993.htm
Furnishings including furniture, mattresses and other mandatory supply and service items	Head of Contracting Office	Federal Acquisition Regulations Part 8 http://acquisition.gov/far/97/pdf/08.pdf

3.10.9 Required Sources of Supplies and Services

Other sources should be considered for use only after the priority sources have been considered for fulfilling requirements and such consideration documented in the credit card file. Cardholders should contact their acquisition office if they need assistance in determining if their requirement can be satisfied by a required source.

3.10.10 Personal Liabilities

In the event a cardholder or an AO allows an unauthorized purchase, those individuals may be held personally liable for any action deemed noncompliant with policy. In the event the cardholder or AO are found liable, they may face disciplinary action. See CAM 1313.301, Section 3.1.4, Page 19.

3.10.11 Additional Information

For information on other areas of concern regarding the purchase card, see the CAM 1313.301. The CAM covers topics such as:

- Steps to take in the event a purchase card is lost or stolen
- Deactivation, suspension, termination and reinstatement
- Account maintenance including: Change of AO, change to Cardholder status, change to purchase limits, declining balances and more
- Required sources of supply
- Receipt and acceptance of supplies and services